

Memorandum



Date: September 21, 2004

To: Honorable Chairperson Barbara Carey-Shuler, Ed. D.
and Members, Board of County Commissioners

Agenda Item No. 7(O)(1)(B)

From: George W. Burgess
County Manager

Subject: Recommendation for Approval to Award Employee Group Dental Programs, Contract Nos. 421a, 421b and 421c

Recommendation

Pursuant to discussion and deliberation at the July 20th Governmental Operations and Environment (GOE) Committee, it is recommended that the Board of County Commissioners approve the accompanying resolution authorizing the County Manager to execute the attached agreements presented in substantially completed form with CompBenefits Corporation (Contract Nos. 421a and 421b) and Metropolitan Life Insurance Company (Contract No. 421c) to obtain employee group dental programs. Contract Nos. 421a and 421b are for two prepaid (managed care) dental plans and Contract No. 421c is for an indemnity dental plan.

Background

The County currently provides dental benefits to our employees through two prepaid (managed care) dental plans with Compdent/American Dental Plan, Inc. and Oral Health Services, Inc. (both of which are now owned by CompBenefits Corporation) and an indemnity plan with Metropolitan Life Insurance Company. All three of the current employee group dental contracts expire December 31, 2004. It is the County's policy to offer employees an annual open enrollment period which provides sufficient opportunity for employees to assess their current needs in order to select the benefits package most suitable for them and their family. In preparation for the open enrollment period, sufficient time must be allowed for the development, printing and distribution of open enrollment materials to over 40,000 employees and to communicate County plan specific benefits. Therefore, these replacement contracts need to be awarded by mid-September 2004 to allow the contractors to begin work in order to meet the deadlines for the annual employee open enrollment period which begins in mid-October 2004.

At the July 20, 2004 meeting of the GOE Committee, two separate recommendations were presented to award contracts to replace the existing employee group dental contracts. GOE Agenda Item 2X recommended the competitive award of Contract No. 421a to CompBenefits Corporation for one prepaid plan and Contract No. 421c to Metropolitan Life Insurance Company for the indemnity plan, together with waiver of the Code provisions related to bid protest procedures and the period for BCC motion for reconsideration. GOE Agenda Item 2Y recommended a bid waiver for the award of Contract No. 421b to Private Medical-Care, Inc. (the second highest ranked pre-paid plan proposer) for the second pre-paid plan, together with waiver of the Code provisions related to bid protest procedures and the period for BCC motion for reconsideration.

Both recommendations were denied by the GOE Committee at the July 20th meeting. The Committee requested that all three of the awards mirror the results of the competitive RFP process and that the bid protest procedure and the motion for reconsideration period not be waived. The Committee also requested, if necessary to preserve continuity of services, that an extension of the existing group dental program contracts be presented to the Board as a separate item. These three award recommendations, a complete description of which is detailed below, conform with the requests of the GOE Committee.

Contract Title: Employee Group Dental Program

Contract Nos.: 421a, 421b and 421c

Contract Description: These contracts are intended to obtain employee group dental programs to cover Miami-Dade County and Public Health Trust employees and retirees. The County and the Public Health Trust employ over 40,000 individuals throughout South Florida. The County currently offers three dental plans to its employees and retirees: one fully-insured indemnity and two fully-insured, prepaid plans. Each dental plan offers employees/retirees a choice of two options: a standard benefit and an enriched benefit (which includes orthodontia benefits).

These dental plans, if approved, will replace the existing contracts which will expire on December 31, 2004. Metropolitan Life Insurance Company is being awarded the indemnity dental plan and CompBenefits Corporation is being awarded the two prepaid dental plans, currently marketed as Oral Health Services (OHS) and American Dental Plan (ADP).

Competitive Process Utilized: RFP Process: The highest ranked proposer for each of the three dental plans, one indemnity and two prepaid, is being recommended for award. The process started in mid-October 2003. A timetable was developed to allow sufficient time to make an award prior to the open enrollment period. However, due to a combination of unforeseen delays, including scheduling conflicts of Evaluation/Selection Committee members, the complexity of the solicitation requiring additional Committee meetings, and cancellation of the March 2, 2004 Board meeting for approval to advertise, adherence to the timetable was not achievable.

Term: Three (3) year period with two (2) one (1) year options to renew on a year-to-year basis, at the County's sole discretion. The insurance coverage will begin January 1, 2005.

Contract Amount: Estimated \$19,016,138.00 annually depending upon the number of enrollees. (Aggregate of all three contracts.)

Funding Source: 100% of employee cost for the standard plan is funded by the County Internal Service Fund. If the employee chooses the enriched plan, then the employee pays the difference between the premium of the standard plan and the enriched plan. The employee also pays dependents' premiums.

Using/Managing Agency: General Services Administration – Risk Management Division

CSBE/MBE Goal: The Review Committee meeting of February 10, 2004 recommended no measures since there are no established participation goals for providing a group dental program.

Local Preference: Local Preference was applied in accordance with applicable ordinances, but did not affect the outcome as no firm was within 5% of the top-ranked firm in any of the three plans.

Approval to Advertise: March 16, 2004

Estimated Contract Commencement Date: After adoption by the Board of County Commissioners (BCC) and expiration of the period for BCC motion for reconsideration, unless vetoed by the Mayor.



Assistant County Manager




MEMORANDUM

(Revised)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners

DATE: September 21, 2004

FROM: 
Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 7(O)(1)(B)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 7(O)(1)(B)
9-21-04

RESOLUTION NO. _____

RESOLUTION AUTHORIZING EXECUTION OF
AGREEMENTS WITH COMBENEFITS CORPORATION
AND METROPOLITAN LIFE INSURANCE COMPANY TO
OBTAIN EMPLOYEE GROUP DENTAL PROGRAMS, AND
AUTHORIZING THE EXECUTION OF SAID AGREEMENTS
FOR AND ON BEHALF OF MIAMI-DADE COUNTY AND
THE EXERCISE OF ANY CANCELLATION AND RENEWAL
PROVISIONS AND ALL OTHER RIGHTS CONTAINED
THEREIN CONTRACT NOS. 421A, 421B AND 421C

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the selection of CompBenefits Corporation and Metropolitan Life Insurance Company, and authorizes the execution of Contracts Number 421A, 421B and 421C with those companies substantially in the terms set forth herein and further authorizes the Manager to exercise any cancellation and renewal provisions and any other rights contained therein.

The foregoing resolution was offered by Commissioner _____, who
moved its adoption. The motion was seconded by Commissioner _____
and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrian D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this
21st day of September, 2004. This Resolution and contract, if not vetoed, shall become
effective in accordance with Resolution No. R-377-04.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Hugo Benitez

SUMMARY

Action: Award Contract No. 421a, b, c - Employee Group Dental Programs

Committee/Committee Date: GOE 7-20-04

* DPM internal Processing due date: 6-16-04

Projected BCC Date: 9/9/04

Purpose of the Acquisition: These contracts are being awarded to obtain Employee Group Dental Programs to cover an estimated forty thousand County and Public Health Trust employees.

Recommended Contractor: CompBenefits Corporation (421 a & b – Fully Insured) and Metropolitan Life Insurance Company (421c – Indemnity)

Contract Term:

Ten days after adopted by the Board of County Commissioners, unless vetoed by the Mayor, and shall continue until December 31, 2007. The insurance coverage on January 1, 2005 and continues for the period of three years. The County, at its sole discretion, reserves the right to exercise the option to renew this Contract for a period for two additional years on a year-to-year basis.

Contract Amount: \$19,016,138.00 annually

BCC Approval to Advertise Date: March 16, 2004

UAP: No.

Background:

These contracts are being awarded to obtain employee group dental programs that will cover all eligible County and Public Health Trust employees. The RFP was designed to select up to three dental programs; Two prepaid and one indemnity program. Contract 421a is for the equivalent of the current ADP and is recommended to be awarded to CompBenefits Corporation. Contract 421b is for the equivalent of the current OHS and is recommended to be awarded to CompBenefits Corporation. Contract 421c is the indemnity program and is recommended to be awarded to Metropolitan Life Insurance Company. All three contracts are recommended for award to the incumbents.

At the July 20, 2004 Governmental Operations and Environment (GOE) Committee meeting, recommendations were presented to award contracts to replace the existing employee group dental contracts which expire December 31, 2004. GOE Agenda Item 2X recommended waiving Sections 2-8.3 and 2-8.4 of the Code of Miami-Dade County, Florida related to bid process procedures, waiving the period for BCC motion for reconsideration, and awarding Contract No. 421a to CompBenefits Corporation for a prepaid plan and Contract No. 421c to Metropolitan Life Insurance Company for an indemnity plan. GOE Agenda Item 2Y recommended waiving competitive bidding

Florida related to bid process procedures, waiving the period for BCC motion for reconsideration, and awarding Contract No. 421b to Private Medical-Care, Inc. (the second highest ranked pre-paid plan proposer) for a prepaid plan. The intent of the bid waiver was to offer County employees more of a choice in dental coverage as opposed to awarding a second prepaid plan to CompBenefits Corporation (the highest ranked pre-paid plan proposer).

Both items were denied by the GOE Committee with directives to remove the request to waive the referenced bid protest procedures on GOE Agenda Item 2X and to award to the highest-ranked firm on GOE Agenda Item 2Y.

The Committee also recommended for both items to follow the competitive RFP process allowing the bid protest period and, if need be, to extend the existing employee group dental program contracts. Accordingly, this recommendation is being presented pursuant to the GOE Committee's request.

Savings:

Negotiated annual reductions from \$1,758,436.30 to \$1,517,930.32 for a total savings for the contract period of \$721,517.94 on the pre-paid program (Contract 421b).



MEMORANDUM

GOE

AGENDA ITEM NO. 2 (X)

TO: Honorable Chairperson Barbara Carey-Shuler, Ed. D. DATE:
and Members, Board of County Commissioners

July 20, 2004

FROM: George M. Burgess
County Manager

SUBJECT: Recommendation for
Approval to Award Employee Group
Dental Program Contract Nos. 421a and
421c, and for waiver of Bid Protest
Procedures and Period for Board
Reconsideration

Recommendation

It is recommended that the Board of County Commissioners approve the accompanying resolution authorizing the County Manager to execute the attached agreements presented in substantially completed form with CompBenefits Corporation (CompBenefits) and Metropolitan Life Insurance Company (Metlife), Contract Nos. 421a and 421c, respectively. It is also requested that the Board waive bid protest procedures contained in Section 2-8.3 and 2-8.4 of the Code of Miami-Dade County, along with the period for BCC motion for reconsideration, to allow the contractors to begin work in order to meet the deadlines for the annual employee open enrollment period which begins in mid-October 2004.

Background

The County currently offers one indemnity and two fully-insured, pre-paid dental plans. These contracts will replace the existing contracts which will expire December 31, 2004. Metlife is being awarded the indemnity dental plan and CompBenefits is being awarded a pre-paid (managed care) dental plan, marketed as American Dental Plan (ADP). The indemnity plan allows members to use any dentist of their choice, and benefits include a deductible and varying co-insurance levels based on the services provided. Prepaid plans require members to use a network dentist. The plan design generally provides for copayments to be made by the member for other than preventive services.

The waiver of the bid protest procedures and BCC motion for reconsideration are necessary to allow sufficient time for the development, printing and distribution of open enrollment materials to over 40,000 employees, and to communicate County plan specific benefits. It is the County's policy to offer employees an annual open enrollment period with sufficient time for employees to assess their current needs in order to select the benefits package that best suits those needs. Without a waiver of the protest procedures and BCC motion for reconsideration, the open enrollment period will need to be significantly condensed, thus giving employees less time to review and select benefits for the upcoming plan year.

On March 16, 2004 the Board approved the issuance of Request for Proposals (RFP) No. 421, Employee Group Dental Program, which stated that it was the County's intention to award a single contract for an indemnity plan and up to two contracts for prepaid plans. This award recommendation is for one indemnity plan and one prepaid plan. A separate item on this agenda (see Request to Waive Competitive Bidding Procedures and Authority to Execute a Contract for an Employee Group Dental Plan Memorandum) recommends the award of a contract with Private

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Recommendation to Award
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Medical-Care, Inc. (PMI) for another prepaid dental plan, marketed as DeltaCare, via a waiver of the competitive bidding procedures. The referenced separate agenda item details how it was determined that it would be in the County's (and our employees') best interest to offer more than one provider for the prepaid options based on the County's intended goals of competitive cost and offering our employees flexibility and choice.

If the above referenced awards with Metlife and CompBenefits (Contract Nos. 421a and 421c) are approved by the Board, the current indemnity plan with Metlife and prepaid plan with CompBenefits (ADP) will continue to be offered, allowing employees to continue their enrollment without experiencing forced disruption in their current relationships with dental providers. Furthermore, employees currently enrolled in the County's second prepaid option, with Oral Health Services, Inc. (now owned by CompBenefits), marketed as Oral Health Services (OHS), may choose to move into the CompBenefits ADP plan, which offers a very close match of the OHS network, or they may choose to move to the PMI prepaid option (if the referenced separate agenda item for a bid waiver is approved by the Board), which may or may not include their current dental provider, but will offer lower premiums.

CONTRACT TITLE:	Employee Group Dental Programs
CONTRACT NOS:	421a (prepaid plan) and 421c (indemnity plan)
CONTRACT DESCRIPTION:	These contracts are being awarded to obtain employee group dental programs to cover Miami-Dade County and Public Health Trust employees and retirees. The County and the Public Health Trust employ over 40,000 individuals throughout South Florida. Miami-Dade County currently offers three dental plans to its employees and retirees. Each dental plan offers employees/retirees a choice of two options: a standard benefit and an enriched benefit (which includes orthodontia benefits).
COMPETITIVE PROCESS UTILIZED:	RFP Process was utilized to make this award. The process was started in mid-October 2003 and a timetable was created to allow sufficient time to make an award prior to the open enrollment period. However, due to a combination of unforeseen delays, including scheduling conflicts of Evaluation/Selection Committee members, the complexity of the solicitation requiring additional Committee meetings, and cancellation of the March 2, 2004 Board meeting for approval to advertise, adherence to the timetable was not achievable.
TERM:	The insurance coverage begins January 1, 2005 and

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continues for the period of three years. The County, at its sole discretion, reserves the right to exercise two (2) one-year options to renew on a year-to-year basis.

CONTRACT AMOUNT:

Estimated \$16,498,355.00 annually depending upon the number of enrollees.

FUNDING SOURCE:

100% of employee cost for standard plan is funded by the County Internal Service Fund. The difference in premium between standard and enriched plans (if the employee selects the enriched plan) and all dependents' premiums are paid by employee.

USING/MANAGING AGENCY:

General Services Administration - Risk Management

CSBE/MBE GOAL:

The Review Committee meeting of February 10, 2004 recommended no measures since there are no established participation goals for providing a group dental program.

LOCAL PREFERENCE:

Local Preference was applied in accordance with applicable ordinances, but did not affect the outcome as no firms were within 5% of the top-ranked firms.

APPROVAL TO ADVERTISE:

March 16, 2004

**ESTIMATED CONTRACT
COMMENCEMENT DATE:**

Ten days after adoption by the Board of County Commissioners (BCC), unless vetoed by the Mayor, waiving the period for BCC motion for reconsideration.



Assistant County Manager



MEMORANDUM

GOE

AGENDA ITEM NO. 2(Y)

TO: Honorable Chairperson Barbara Carey-Shuler, Ed. D. and Members, Board of County Commissioners

DATE:

July 20, 2004

FROM: George A. Burgess
County Manager

SUBJECT: Waiver of Competitive Bidding Procedures and Authority to Execute a Contract for an Employee Group Dental Plan

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the attached resolution waiving competitive bidding procedures; waiving Sections 2-8.3 and 2-8.4 of the Code of Miami-Dade County, Florida related to bid protest procedures and authorizing the County Manager to execute a contract for an employee prepaid group dental plan to Private Medical-Care, Inc. (PMI). It is also requested that the Board waive the period for BCC motion for reconsideration, to allow the contractor to begin work in order to meet the deadlines for the annual employee open enrollment period which begins in mid-October 2004.

BACKGROUND

The County currently provides dental benefits to our employees through one indemnity plan with Metropolitan Life Insurance Company (Metlife) and two prepaid (managed care) dental plans with Compdent/American Dental Plan, Inc., and Oral Health Services, Inc. The current contracts expire December 31, 2004.

On March 16, 2004 the Board approved the issuance of Request for Proposals (RFP) No. 421, Employee Group Dental Program, which was intended to: 1) obtain the most competitive cost available in the current marketplace, 2) assure that the dental program is professionally administered, and 3) provide employees with flexibility and choice. The RFP solicitation document also stated that it is the County's intention to award a single contract for an indemnity plan, and up to two contracts for prepaid plans. The two prepaid options were referred to in the RFP as Prepaid Option 1 and Prepaid Option 2 to differentiate between the two. The indemnity plan allows members to use any dentist of their choice, and benefits include a deductible and varying co-insurance levels based on the services provided. Prepaid plans require members to use a network dentist. The plan design generally provides for copayments to be made by the member for other than preventive services.

The County received seven proposals for the indemnity plan, five proposals for Prepaid Option 1 and five proposals for Prepaid Option 2. Two of the Prepaid Option 1 proposals were deemed non-responsive by the County Attorney's Office, along with one of the proposals for Prepaid Option 2. The evaluation/selection committee reviewed and ranked the remaining qualifying proposals in accordance with the guidelines published in the RFP and, based on the final rankings, requested

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authority from the County Manager to enter into negotiations with the highest-ranked proposers in each category: MetLife for the indemnity plan and CompBenefits Corporation (CompBenefits) for both Prepaid Option 1 and Prepaid Option 2.

Following negotiations, and upon review of the resulting dental plans to be offered, it was determined that it would be in the County's (and our employees') best interest to offer more than one provider for the prepaid option. This conclusion was reached based on the County's intended goals of competitive cost and offering our employees flexibility and choice. A separate item on this agenda (see Request to Award Contract Nos. 421a and 421c Memorandum) recommends the award of the contracts for a prepaid plan (Prepaid Option 1) to CompBenefits and an indemnity plan to MetLife, respectively.

It is important to note that when the current contracts were awarded in 1999, Compdent/American Dental Plan, Inc. and Oral Health Services, Inc. were two separate companies. Since that time, Oral Health Services, Inc. was acquired by the parent company for Compdent/American Dental Plan, Inc. and they are both, in fact, currently owned by the same corporation – CompBenefits. Although CompBenefits submitted their prepaid plans as American Dental Plan (Prepaid Option 1) and Oral Health Services (Prepaid Option 2), the plans are very similar in terms of benefit composition and premium cost, consequently offering the employees very little actual choice.

While there was nothing in the RFP precluding CompBenefits from submitting and being awarded both contracts, (Prepaid Option 1 and Prepaid Option 2), staff believes that the County and our employees are better served by awarding one of the two prepaid options to CompBenefits Corporation and offering the second prepaid option of another vendor in order to ensure employees have clear choices. Based on the final rankings by the evaluation/selection committee for RFP 421, staff negotiated with the second ranked firm for Prepaid Option 2, PMI, which offers the DeltaCare dental HMO plan. Delta Dental of California, of which PMI is a subsidiary, has nearly 50 years experience in the industry and serves more than 40 million enrollees through national provider networks. PMI's proposed plan design is very similar to CompBenefits' OHS plan currently available to Miami-Dade County employees. This vendor also provides the lowest premiums. Although PMI's dental network is smaller in size than CompBenefits, it offers employees provider choices that may not be available to them under the CompBenefits plans. Additionally, PMI has committed to expanding its network as needed to diminish potential disruption of employees' relationships with providers.

If the above referenced award (Contract No. 421a) resulting from RFP 421 is approved by the Board, the current prepaid plan with CompBenefits, marketed as American Dental Plan (ADP), will continue to be offered, so that employees may choose to continue their enrollment and will not experience forced disruption in their current relationships with dental providers. Furthermore, employees currently enrolled in the prepaid option for Oral Health Services (OHS) may choose to move into the CompBenefits Prepaid Option 1 plan, which offers a very close match of the OHS network, or they may choose to move to the PMI prepaid option, which may or may not include their current dental provider, but will offer lower premiums.

Honorable Chairperson Barbara Carey-Shuler, Ed. D.
and Members, Board Of County Commissioners
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Since CompBenefits was the highest rated for both prepaid options, and the RFP document did not preclude awarding both prepaid options to the same vendor, a bid waiver is recommended in order to award a contract to PMI for Prepaid Option 2, in addition to the award of Prepaid Option 1 to Compbenefits. This request is made in order to realize considerable savings for both the County and our employees through lower premiums, as well as increase the dental plan choices offered, I am recommending that it is in the County's best interest to waive competitive bids and award the contract for a prepaid dental plan to PMI.


Assistant County Manager

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RFP UNIT SAVINGS DOCUMENT

TITLE: Employee Group Dental Program

DESCRIPTION: Dental Insurance for Miami-Dade County employees

General Information

Executed Date _____

Contractor : CompBenefits Corporation

Amount : \$1,517,930.20 annually

Term of Contract : Three years with two one-year OTRs.

Reso. # R-

RFP: 421b

TOTAL DOLLAR AMOUNT OF NEW CONTRACT \$ 1,517,930.20

TOTAL DOLLAR AMOUNT OF PREVIOUS CONTRACT(S) \$ 324,000.00

TERM OF NEW CONTRACT 6 yrs

TERM OF PREVIOUS CONTRACTS(S) 6 yrs

DOLLAR SAVINGS:

ACTUAL REDUCTION OF PROPOSAL PRICES/COST \$ 124,002.00

REDUCTION OF OTHER COSTS \$ _____

OTHER SAVINGS _____ \$ _____

EXPLANATION OF SAVINGS

Original contract was for an amount of \$324,000.00 for three years. The RFP has resulted in a three-year contract for the amount of \$199,998.00. Thus a \$124,002.00 has been realized.

TOTAL SAVINGS

\$ 124,002.00

Additional information:

Number of Proposals Received 5

UAP applicable NO (If not applicable, explain why.)

Contract is using Airport funds.

Procurement Officer: Oscar Willumsen, Jr. Manager, RFP Unit: Rita Silva

Date of Approval to Award (if BCC approved, give BCC date)_____